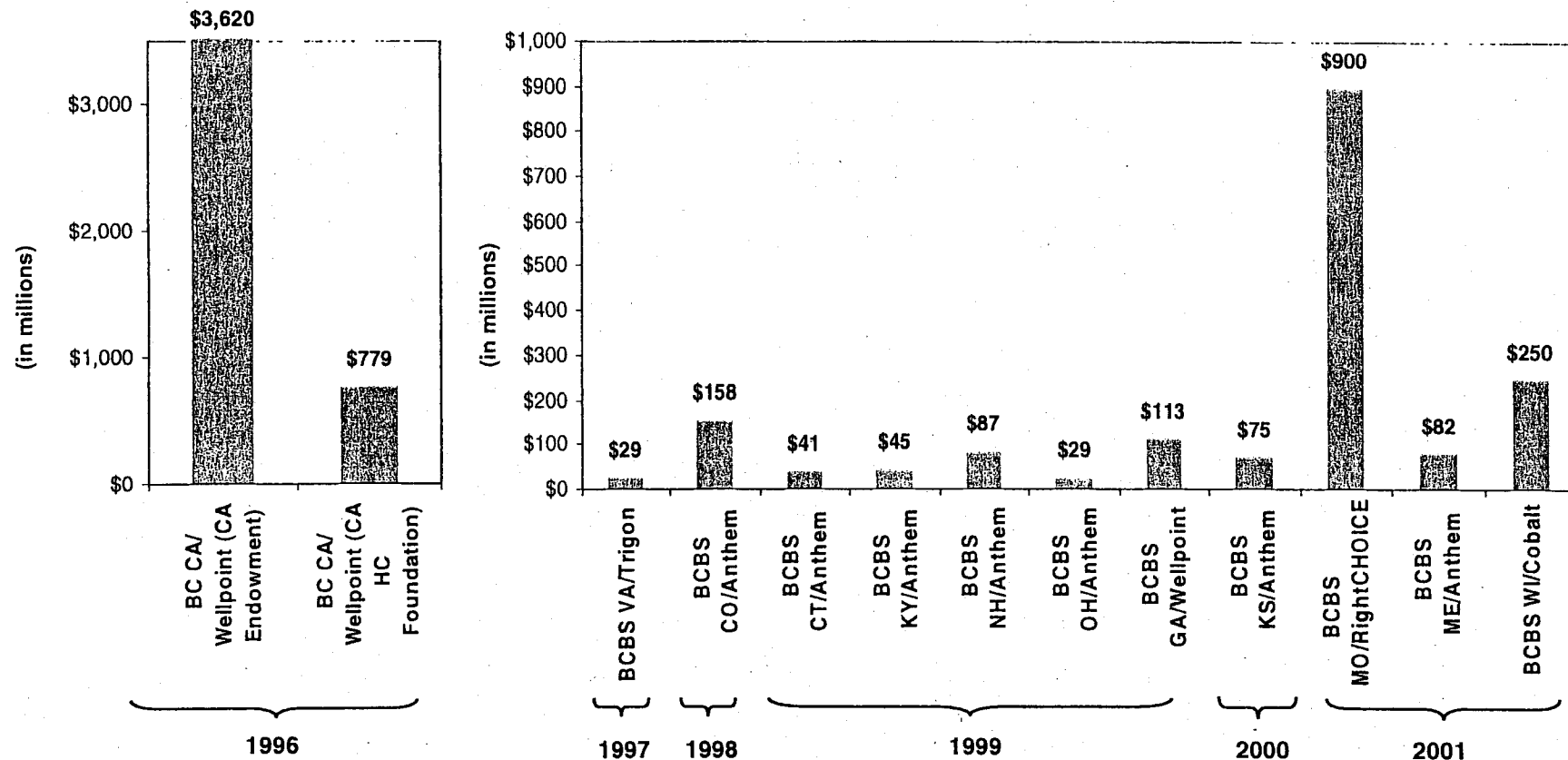


The conversion of 12 other BCBS plans in the U.S. has led to the creation of foundations that currently total \$6.2 billion*.

Foundations Established as a Result of For-Profit Blues Conversion Activity



*Most recent value of foundation publicly reported. Values of foundations created by publicly traded companies may be stock-based, and could fluctuate with stock price changes.

Source: Grant Makers in Health, A Profile of New Health Foundations, March 2001; Health Plan Press Releases; Community Catalyst website; Foundation Center website;

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Many foundations target funding to increase access to healthcare, as well as to enhance the quality of care for people in their regions.

General Focus	Specific Focus	Foundation Name
Access to Healthcare	• Access to healthcare, multicultural health & general health	• The California Endowment*
	• Improve access for uninsured	• Maine Health Access Foundation
	• Payment for healthcare services	• Sunflower Foundation (KS)
	• Fund unmet healthcare needs	• Foundation for a Healthy Kentucky
	• Managed care, the uninsured, health policy & quality	• CA HealthCare Foundation
	• Healthcare needs of uninsured & under-insured	• Missouri Health Foundation*
	• Serve underserved or uninsured	• Anthem Foundations of Connecticut
Quality	• Improve healthcare	• HealthCare Georgia
	• Improve health and reduce the burden of illness	• Endowment for Health (NH)
	• Improve healthcare through capital projects, equipment & technology	• Caring for Colorado
Research	• Support for human research	• Commonwealth Health Research Fund (VA)
Medical Schools	• Funding for state medical schools and public health	• Wisconsin United for Health*
Oral Care	• Preventive oral care and prevention of family violence	• The Anthem Foundation of Ohio

*Largest healthcare foundation in state

Source: Grant Makers in Health, *A Profile of New Health Foundations*, March 2001; Health Plan Press Releases; Community Catalyst website; Foundation Center website; Foundation websites

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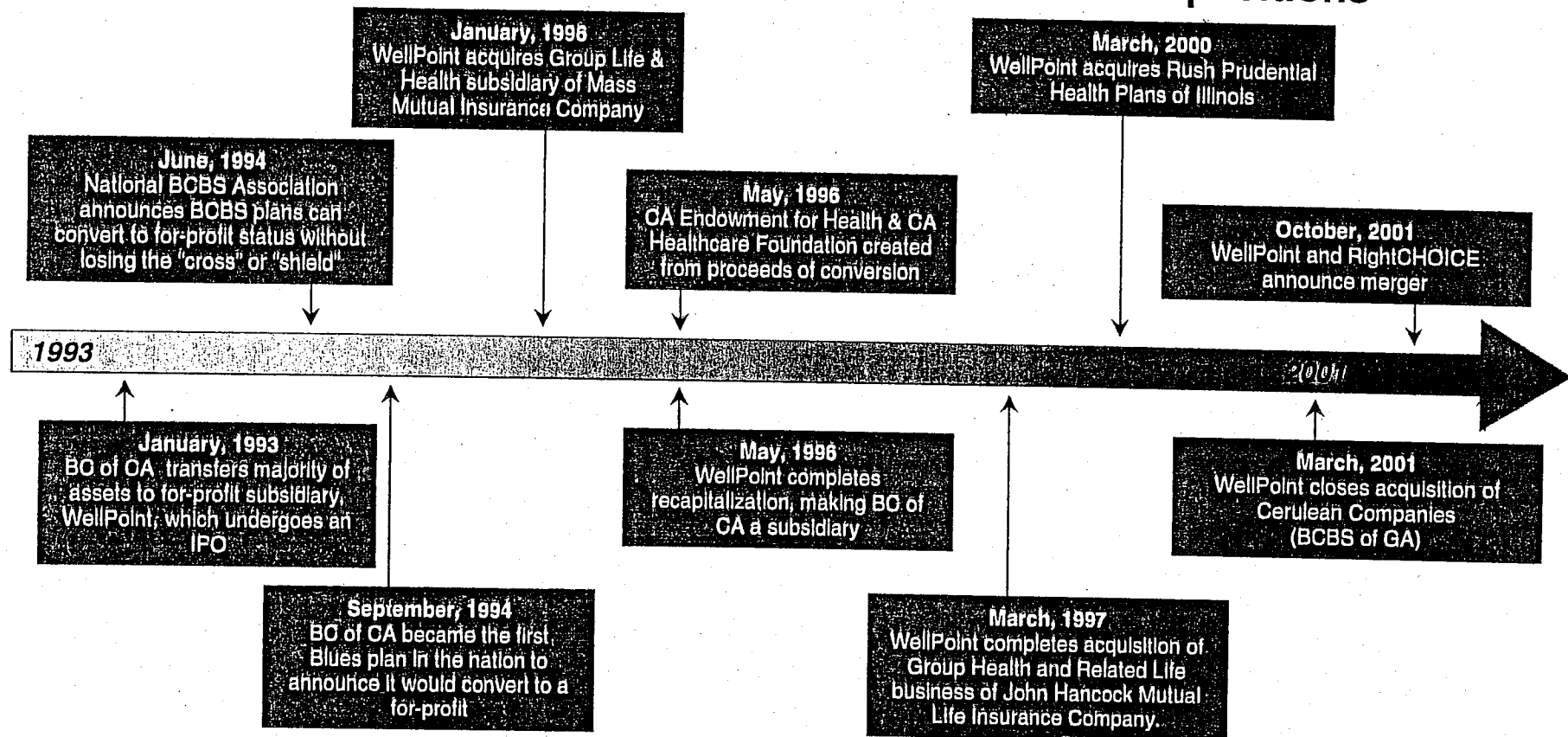
California

CASE STUDY SLIDES

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Since Blue Cross of California converted in 1993, it has acquired four other health plans and is currently seeking approval to acquire RightCHOICE/BCBS MO.

Timeline of Blue Cross of California Conversion and Acquisitions

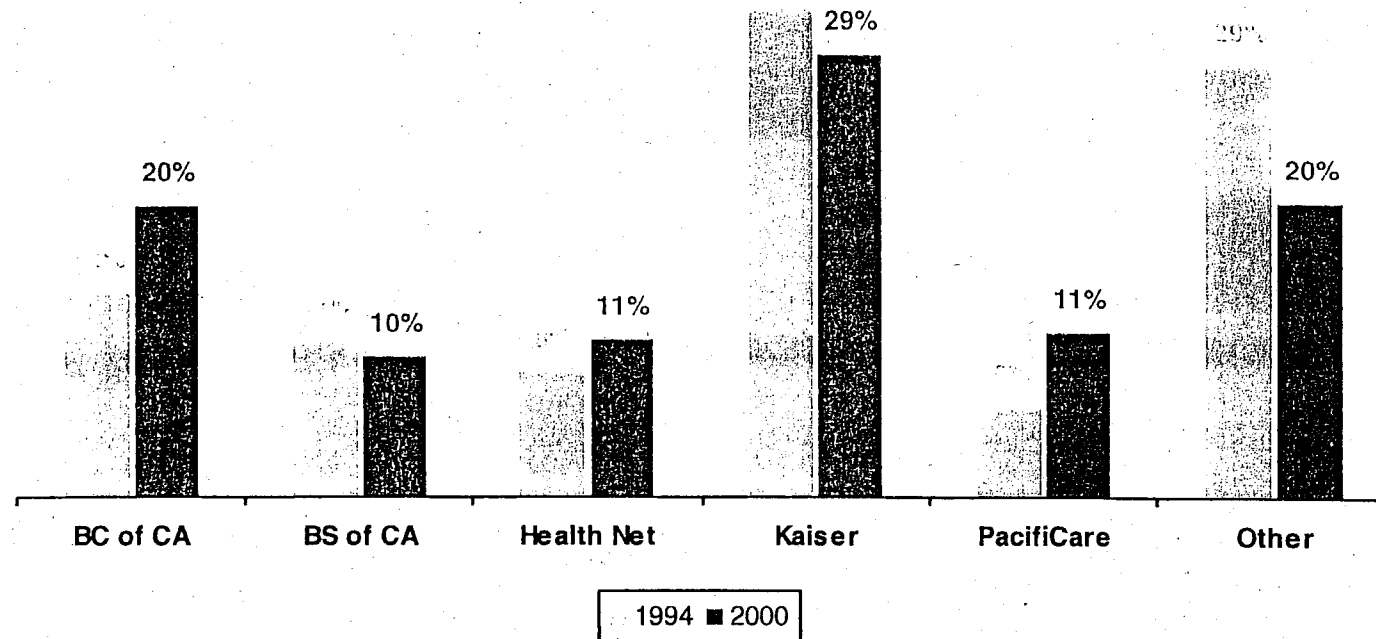


Source: Community Catalyst, Blue Cross of California website

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Although Kaiser has maintained its leadership position in California over the last several years, Blue Cross is closing the gap, with PacifiCare and Health Net also gaining ground.

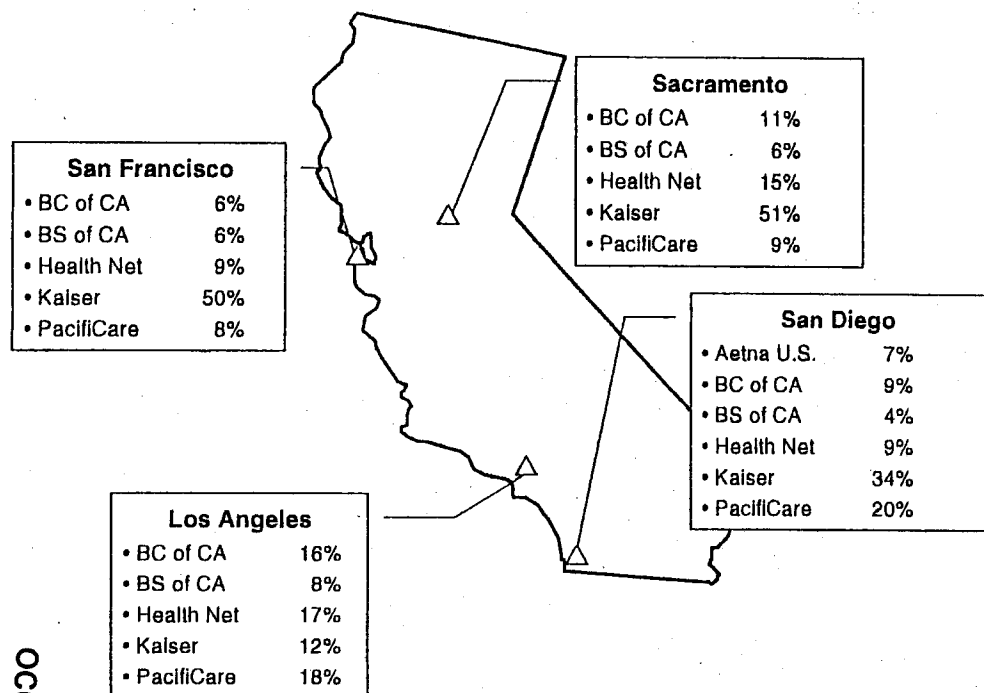
California HMO Market Share (1994 & 2000)



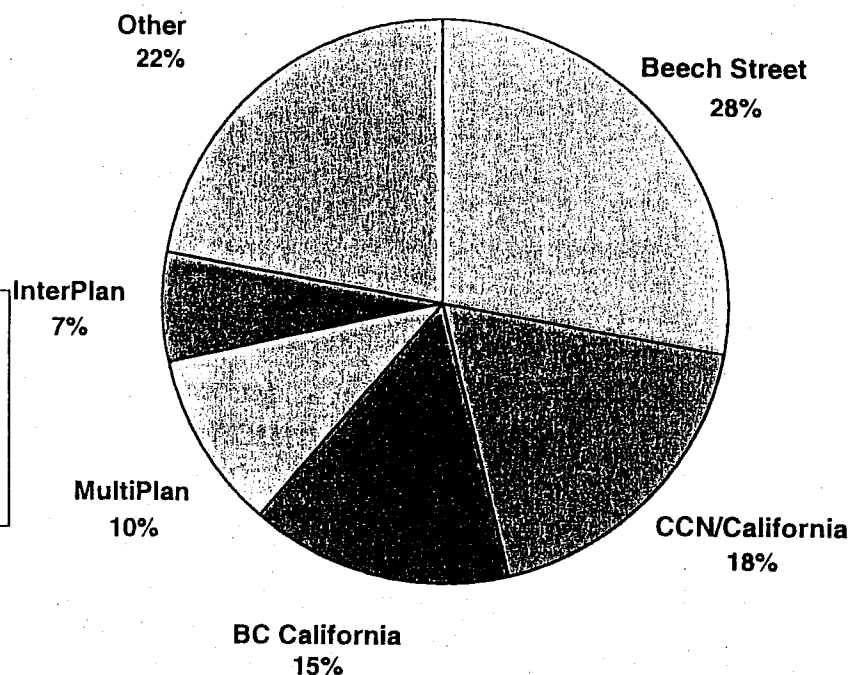
Source: InterStudy, The National HMO Financial Database, 1994-2000; data pulled from state Department of Insurance filings

Blue Cross of California strongest HMO presence is in Los Angeles; statewide, Blue Cross is the third largest PPO provider.

HMO Market Share within MSAs
(2000 & 2001)



PPO Market Share
(2000)



Source: Gartner, *Healthcare Market Overview for Los Angeles, Sacramento, San Diego and San Francisco*, 2000 & 2001; InterStudy, *PPO Directory and Performance Report 2.0*, 2001

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